

## **The GVH has acted swiftly: it will be revealed soon whether competition in the online booking market may have been distorted**

**Budapest, 24 August 2023 - The Hungarian Competition Authority (GVH) has launched an accelerated sector inquiry into the online accommodation booking and service market in Hungary. The investigation by the National Competition Authority will assess whether competition may have been harmed by, among other things, Booking's contracting and contract enforcement practices, which have been the subject of a steady stream of market signals recently.**

The GVH has launched an accelerated sector inquiry into the online accommodation booking and services market in Hungary to identify and assess current developments in the sector. The investigation will analyse the competitive conditions in the Hungarian online accommodation market and the contractual terms and practices applied by market players towards accommodation providers which may have an impact on competition between accommodations.

According to market information received by the GVH, the business of many Hungarian accommodation providers has recently been seriously disrupted by the fact that one of the largest online accommodation platforms - Booking.com - has applied contractual terms and practices to them that it does not apply to other accommodation partners. In the last period, there has been alerts from accommodation providers about Booking's payment practices practically every day: in less than a month, 28 complaints have been received by the Competition Authority about the withholding of accommodation fees. This may raise the suspicion that fair competition between accommodation providers has been distorted, which, especially in the summer season, may have directly affected on consumers booking accommodation.

The sector has also been particularly affected by the coronavirus outbreak, which justifies the launch of an accelerated sector inquiry. The GVH is therefore monitoring all circumstances that may block the recovery of the sector and the existence of fair competition.

An accelerated sector inquiry is a procedure under the Competition Act to identify market problems in cases where the circumstances indicate a distortion or restriction of competition and urgent intervention is needed in the sector concerned. During the investigation, the competition authority will, among other things, analyse the information collected from market players - based on mandatory responses - to identify the detailed causes of distortions of competition in order to take the necessary steps to remedy them. Once, the information gathering and analysis of the data is completed, the GVH will summarise the results of the sector inquiry in a public report. The deadline to finish this report is 30 days, which may be extended twice by 30 days under justified circumstances.

The latest comprehensive sector inquiry of GVH concerning the domestic accommodation booking market has been concluded in 2016. In addition to the surveillance of the structure of competition,

the authority has also been keeping an eye on commercial practices towards consumers in the market in recent years, when the GVH took action against two popular booking platforms for their aggressive, psychological pressure tactics. While one of them, Szallas.hu, cooperated with the authority and corrected its infringement through a complex commitment, the Dutch operator Booking was fined HUF 2.5 billion by the GVH in 2020, the highest ever consumer protection fine by the Hungarian Competition Authority.

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